



Memorandum

TO: City Council
FROM: Mayor Chuck Reed
SUBJECT: 2008 Community Budget Survey
DATE: January 18, 2008

Approved

Date

INFORMATION

Attached are the results of the 2008 community budget survey, conducted by Fairbank, Maslin, Maullin & Associates from January 7 to 13. This year's survey explored residents' perceptions of City services, their funding priorities, and their support for or opposition to strategies to increase revenue or cut the budget deficit.

The Council will receive an in-depth report from FMMA prior to the February 12 priority setting session. Staff from FMMA will make a presentation at the February 12 meeting as well.

My goal in releasing the results now is to ensure that all of you and those in the community who have been working on strategies for solving the structural budget deficit have access to this information quickly.

SURVEY METHODOLOGY

This year, we expanded the telephone survey to 1,005 San José residents. Using a random-digit dial method, FMMA reached a random and representative sample of 503 San José residents. Last year, FMMA surveyed 450 residents by random-digit dial method. Given the interest in deficit-reduction strategies that may require action by the voters of San José, FMMA also surveyed a representative sample of 502 likely voters.

The survey was translated and conducted in Spanish and Vietnamese as well as English. The same questions were asked of each group of respondents. For tracking purposes, several questions were identical to those asked in 2007. The survey included questions exploring residents' rating of the quality of City services, residents' perception of the city budget, residents' priorities for increases or cuts in City spending, residents' attitudes toward budget-related policy issues, and a number of demographic questions that will allow analysis of survey results according to demographic and geographic subgroups.

The three documents attached report the results from the random sample and likely voters separately as well as a combined report of all 1,005 respondents.

SAN JOSÉ BUDGET

The survey results show an increasing awareness of the City's budget deficit: 53% of residents and 56% of voters believe the City will start its budget process with a deficit, compared with 35% of residents in 2007.

As with last year's survey, a majority of residents believe the City is spending the right amount of money on the key services areas that were the subject of the survey.

REVENUE GENERATION

Depending on the revenue strategy, increases may require a two-thirds or majority vote of the voters of San José. At this time, it appears that the majority of likely voters do not support fee or tax increases. (Note: similar results were seen in the responses of the random sample of San José residents.)

Voters were somewhat or strongly opposed to:

- Increasing the existing tax customers pay on utility bills, which is called the utility users tax, 74%
- Increasing the sales tax, 71%
- Creating new districts that would charge property owners for street landscape and new energy-efficient lighting services, 55%
- Establishing a new dedicated tax on each parcel of property in the city to support police, fire, and other critical services, 53%

Voters were somewhat or strongly supportive of:

- Increasing the existing hotel room tax, which is also called the transient occupancy tax, 62%
- Adjusting the tax on business licenses to generate new revenue, 60%
- Shifting funds from the real estate transfer tax from capital projects to operating and maintenance projects, 60%

CHANGES IN SERVICES

Respondents top recommendations for deficit solutions that would require changes in the way City provides services were:

- Selling underused city property, 83% strongly or somewhat support
- Increasing the leases for all buildings the City owns to market rate, 71%
- Lowering entry-level city salaries to market-rate, 69%
- Increasing the use of civilian positions in the Police and Fire Departments, 69%
- Reducing the size of pay increases for city employees, 62%

The only service change that a majority of respondents opposed was "changing and decreasing Police and Fire Department staffing requirements," which 59% somewhat or strongly opposed.

BUDGET CUTS

Few respondents deemed services cuts to be "completely acceptable." The areas in which they were most willing to see service cuts were:

- Reducing staffing in the Mayor and City Council's offices, 85% somewhat or completely acceptable.
- Reducing funds for recruiting, training, and recognizing city employees, 72%
- Reducing staff in the offices of the City Attorney, City Auditor, City Clerk, City Manager or Independent Police Auditor, 74%
- Reducing the size of pay increases for city employees, 71%
- Reducing staffing at the planning department, 71%

Respondents were most opposed to cuts in the following services:

- Eliminating crime prevention programs in which the City works with neighborhoods, 77% somewhat or strongly oppose.
- Closing bathrooms in neighborhood parks, 72%
- Reducing police staffing dedicated to solving property crimes, 71%
- Reducing the number of school crossing guards, 71%
- Eliminating City programs that educate young people in character and decision-making or give them work experience in City government, 63%